

Healthe MidAmerica Update

Requested by KHPA Board

February 20, 2007

Executive Summary: Healthe MidAmerica is a regional health information organization founded by Kansas City area employers to facilitate the creation of an electronic community health record (“CHR”) in the 15-county Kansas City Metropolitan Statistical Area (“KCMSA”). *The goal of the CHR is to provide clinicians with medical information at the point of care to facilitate and improve treatment.* The CHR used by Healthe is the same electronic platform Kansas Medicaid is currently successfully piloting in Sedgwick County. Although currently only accessible to providers, the CHR will eventually include a personal health record component for patients. The KHPA would like to pilot the Healthe project for Kansas state employees and covered dependents residing in the Kansas City metro and Lawrence communities.

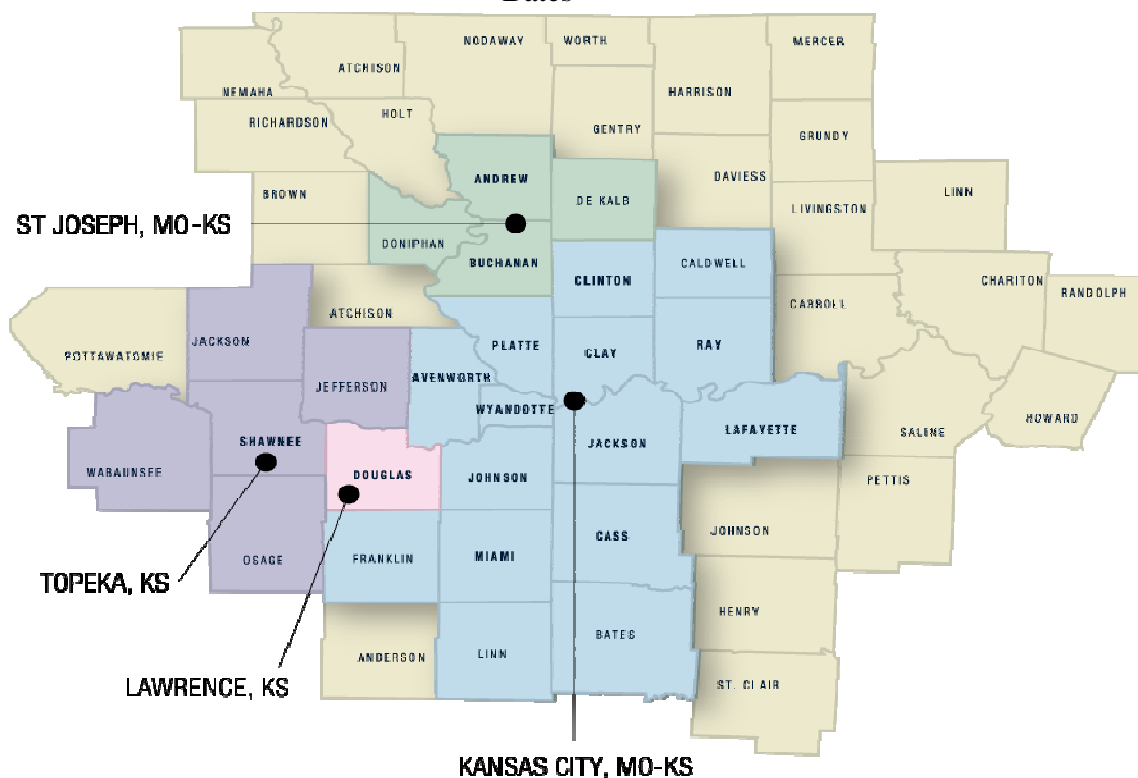
The KCMSA is comprised of the following Kansas and Missouri counties:

Kansas Counties

Leavenworth
Wyandotte
Johnson
Miami
Linn
Franklin

Missouri Counties

Clinton
Caldwell
Ray
Clay
Platte
Jackson
Lafayette
Cass
Bates



Update on KHPA Participation

The Kansas Health Policy Authority (KHPA) covers 9,459 individuals (employees and dependents) who reside in the KCMSA. KHPA's proposed participation in Healthe would be on a pilot basis only for those individuals.

Participating employers of Healthe pay a per member per month (PMPM) fee that decrements as the number of covered members increases. KHPA's cost to participate for covered lives residing in the KCMSA as mentioned above could total up to \$107,000 per year. This compares with the \$1 million that the KHPA has spent on the Sedgwick County pilot (\$500,000 SGF), which is currently accessible to providers of up to 14,000 managed care beneficiaries.

Healthe employers provide either 'opt-in' or 'opt-out' provisions for their employees. KHPA would need to educate its participating members about Healthe, and provide an 'opt-in' or 'opt-out' choice. The process selected should be consistent between Healthe and the CHR pilot in Sedgwick County. Employees would receive information describing the CHR and its potential impact on their care. They would then be given the choice to not allow their records to be accessible through Healthe.

Membership:

Key to making a project such as Healthe valuable to employers – including the State of Kansas -- is including sufficient participation and covered lives that allow for the cost of the CHR to be spread across employers. Additionally, there is the potential for Healthe to be a rich data source for comparative studies on quality and cost of care. Current membership of the Healthe project includes:

- American Century Investments
- Applebee's International
- Aquila
- Burns & McDonnell
- Cerner
- Children's Mercy Hospital and Clinics
- Copaken, White and Blitt
- Federal Reserve Bank of Kansas City
- Gould Evans Associates
- Government Employees Hospital Association
- H & R Block
- J.E. Dunn
- KU Medical Center
- Lockton Companies
- Polsinelli, Shalton, Welte, and Suelthaus
- Sprint Nextel
- Truman Medical Center
- U.S. Engineering
- UMB Bank
- Walton Construction
- YRC Worldwide